

REAL ESTATE

# Auctions buoy condo sales

## ■ Luxury units go up for bidding in Clear Lake, Galveston

Developers of luxury condominium projects are increasingly turning to auctions to unload big chunks of units they were unable to sell through usual means.

The owner of 35 condominiums in the Endeavour high-rise on Clear Lake is putting the units up for bid next month at discounts of more than 50 percent over the original prices.

Starting bids will range from \$200,000 to \$1.5 million on units listed from \$450,000 to \$3.5 million, according to Wonmore Ltd., which bought 44 units last year for \$9.5 million plus past-due taxes, interest and additional costs. The 30-story tower at 4821 NASA Parkway had been put in bankruptcy.

As the real estate market softened, auctions have become a way for developers to move a large number of units at once.

"Sellers typically can sell one or two years' worth of inventory in a single day," said Rhett Winchell, president of Kennedy Wilson Auction Group, which is handling an auction for 40 units at Diamond Beach, a



NANCY SARNOFF

at the western end of the Seawall at 105th Street.

Randall Davis, the Houston-based developer of the project, was encouraged

by a recent auction held for 27 units at Palisade Palms, another high-end condo development on the island.

"Buyers got to set their price, and they were reasonably fair for the developer and good for the buyer," Davis said.

To be sure, discounts at these auctions can be substantial.

Starting bids on the condos at Diamond Beach will range from \$140,000 to \$375,000 on units previously priced from \$360,000 to more than \$1 million.

"As the developer, we have to sacrifice on price, but that's the way it is," Davis said.

The Diamond Beach auction will take place at 1 p.m. Aug. 22 at the Omni Houston Galleria. Units at Endeavour will be sold on Aug. 21 at the Intercontinental Hotel in Houston.

### Skyscraper for sale

Heritage Plaza, the 53-story skyscraper crowned by a Mayan temple and perhaps the most distinctive

on the block.

The property could sell in the high \$200 million range, Bernard Branca, a director with CBRE Capital Markets, said recently at a commercial real estate luncheon.

While the commercial property market has been hammered by tight credit, financing is available for the newest or most prominent office properties, Branca added.

Officials from Atlanta-based Goddard Investment Group, which purchased the tower in 2005, were unavailable last week, and an executive from Eastdil Secured, which is said to be marketing the property, would not comment.

Goddard bought the building when downtown vacancies were mounting.

The sale coincided with the building's largest tenant vacating nearly half of the space in the 1.15-million-square-foot property.

The building, formerly known as Texaco Heritage Plaza, shortened its name after Chevron absorbed Texaco and pulled out of it and other downtown properties.

### Another Walmart

Just weeks after discount retail giant Wal-Mart Stores said it may put a new store just outside the Houston Heights, the Bentonville, Ark.-based company has

another location a few miles west. Within the next 60 days, construction should start on an 185,000-square-foot Supercenter north of Interstate 10 just outside West Loop 610.

The site is along Silber, behind the Marq\*E Entertainment Center.

The new store, which will have a full line of groceries and general merchandise and should open in the fall of 2011, doesn't preclude Wal-Mart from pursuing its plan to build what would be the retailer's most urban location in the Houston area.

The company said it's still working out the details on a proposed store south of Interstate 10 near the northwest intersection of Yale and Center streets.

"We are actively pursuing bringing a store to our customers near I-10 and Yale," Daniel Morales, a Wal-Mart spokesman, said in a prepared statement.

"Customers living in that part of the city want more affordable options for grocery, and we want to be part of the solution."

A development site plan recently obtained by the Houston Chronicle shows a 152,015-square-foot Walmart flanked by a parking lot for 664 cars and additional retail spaces for a bank, fast-food restaurant and other stores.

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THE RANDALL DAVIS COMPANY

**UP FOR BID:** Diamond Beach condos in Galveston will be sold Aug. 22 with bids starting from \$140,000 to \$375,000.

## HOUSTON MORTGAGE MONITOR

### INDIVIDUAL LENDER RATES

The mortgage interest rate list represents a sampling of rates as quoted by lenders in the Houston market on Friday. Rates, which may change on Monday, are for 90 percent loans and do not include origination fees. The numbers in parentheses after the rates are discount points. A point is equal to 1 percent of the loan amount.

15 yr loans	30 yr loans	15 yr loans	30 yr loans
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